

AMENDED IN ASSEMBLY MAY 11, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 759

Introduced by Assembly Member Maddox

February 24, 1999

An act to amend Section ~~6008~~ 6366.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 759, as amended, Maddox. Sales and Use Tax: ~~definitions~~ exemptions: property: use in nonprofit museum.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax, including an exemption for specified purchases of property used in the San Diego Aero-Space Museum or the California Science Center.

This bill would extend that exemption to specified purchases of property used in any museum, science center, or marine institute that meets certain conditions.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue

losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

~~The Sales and Use Tax Law defines a “storage” for purposes of application of that law.~~

~~This bill would make technical, nonsubstantive changes to that definition.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 6008 of the Revenue and~~
- 2 ~~SECTION 1. Section 6366.4 of the Revenue and~~
- 3 ~~Taxation Code is amended to read:~~
- 4 6366.4. (a) There are exempted from the taxes
- 5 imposed by this part the gross receipts from the sale of
- 6 and the storage, use or other consumption in this state of
- 7 tangible personal property purchased by a nonprofit
- 8 museum regularly open to the public that is operated by
- 9 or for a local or state government entity, or operated by
- 10 a nonprofit organization which has qualified for
- 11 exemption pursuant to Section 23701d, provided the
- 12 property is purchased and used exclusively for display
- 13 purposes within the museum.
- 14 (b) The exemption provided by this section extends
- 15 only to items that have value as museum pieces and does
- 16 not extend to display cases, shelving, lamps, lighting
- 17 fixtures, or other items of tangible personal property
- 18 utilized in the operation of a museum. However, the
- 19 exemption does include sprung instant structures used as
- 20 temporary exhibit housing.
- 21 (c) For purposes of this section, a “museum” includes
- 22 only any of the following:



(1) A museum that has a significant portion of its space open to the public without charge.

(2) A museum open to the public without charge for not less than six hours during any month the museum is open to the public.

(3) A museum that is open to a segment of the student or adult population without charge.

(d) This section applies ~~only to the San Diego Aero-Space Museum and the California Science Center to any museum, science center, or marine institute that meets the conditions stated in subdivisions (a) and (c).~~

SEC. 2. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on the first day of the first calendar quarter commencing more than 90 days after the effective date of this act.

~~Taxation Code is amended to read:~~

~~6008. "Storage" includes keeping in this state tangible personal property purchased from a retailer in this state for any purpose except sale in the regular course of business or subsequent use solely outside this state.~~